



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

INFORMATIONAL LETTER NO. 979

DATE: January 6, 2011

TO: Iowa Medicaid HCBS Habilitation Providers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Rounding Units for Hourly Habilitation Services

EFFECTIVE: Immediately

Informational Letters 940, 955 and 973 announced changes in the way CMS-1500 claim forms should be submitted to avoid date span billing edits that are being implemented due to the National Correct Coding Initiative (NCCI). As a result of these changes, we are making a change to the method of rounding to whole units for Habilitation services billed using an hourly rate.

Previously, the Medicaid Provider Manual instructed Habilitation providers to add the total number of minutes of service provided during the month and divide by 60 minutes to obtain the total number of hours to bill for the month. Due to the new date span billing edits, most providers will now be billing for hourly services with a separate line item per day. As such, hourly services should now be rounded as follows:

- Add all the minutes provided for a day
- When the total minutes for the day is less than 60, round up to one (1) whole unit
- When the total minutes for the day is more than 60, divide the total by 60 to get the number of hours for the day. This should be rounded to the nearest whole unit, by rounding down for 1-30 minutes, and rounding up for 31-59 minutes

This method is necessary because the IME claims processing system can only pay claims for whole units. However, for some providers where the majority of services are provided in short contacts such as 10 – 15 minutes per day, this may result in payment that is substantially higher than your actual cost. This would then result in owing a large repayment when your cost settlement is completed after the end of your fiscal year.

To avoid overpayment in this type of situation, you may make a request at any time to have your hourly Habilitation rates lowered. Such a request should be made in writing to costaudit@dhs.state.ia.us, and should include:

- your Medicaid provider number
- the specific Habilitation procedure codes for the rates you wish to lower
- the new rate you are requesting
- the effective date for the change

It is good practice for providers to review actual cost as compared to reimbursement on at least a quarterly basis. If at any time you find that your reimbursement is higher than your actual cost, you may request to have a rate lowered by making a request as outlined above.

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909 or locally (in Des Moines) at 256-4609, or e-mail at imeproviderservices@dhs.state.ia.us.